# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

STARRED QUESTION NO:209
ANSWERED ON:09.05.2016
Exports from Labour-Intensive Sectors
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**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) the total quantity and value of exports from labour-intensive sectors during the last three years and the current year, year and sector-wise;
(b) whether the exports from the labourintensive sectors have declined during the said period and if so, the details thereof and the reasons therefor, sector-wise;
(c) whether the Government has formulated any scheme to promote the exports from such sectors and if so, the details thereof; and
(d) whether the Government has any proposal to include Yam and Banana produced in Bihar under the said scheme and if so, the details thereof?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

a) to d): A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.209 FOR ANSWER ON 09TH MAY, 2016 REGARDING "EXPORTS FROM LABOUR-INTENSIVE SECTORS"

(a) The total value of exports from the major labour-intensive sectors during the
last three years and the current year, year & sector-wise is:

EXPORT OF LABOUR INTENSIVE SECTOR(VALUE in US $ Million)
SL.NO SECTOR 2013-14 2014-15 2015-16 Growth %
1 LEATHER AND LEATHER MANUFACTURES 5572.8 6030.0 5406.9 -10.33%
2 GEMS AND JEWELLERY 41388.3 41266.1 39441.5 -4.42%
3 ENGINEERING GOODS 63902.7 73075.6 60661.0 -16.99%
4 COTTON YARN/FABS./MADEUPS, HANDLOOM PRODUCTS ETC. 11015.9 10774.6 10104.6 -6.22%
5 MAN-MADE YARN/FABS./MADEUPS ETC. 5183.7 5275.0 4673.2 -11.41%
6 RMG OF ALL TEXTILES 14990.5 16833.3 16963.1 0.77%
7 JUTE MFG. INCLUDING FLOOR COVERING 381.6 347.5 560.1 61.18%
8 CARPET 1178.3 1360.8 1441.9 5.97%
9 HANDICRAFTS EXCL. HAND MADE CARPET 1499.3 1378.0 1637.4 18.82%
10 TOYS 36.9 41.0 65.2 59.12%
11 SPORTS GOODS 170.0 183.3 158.2 -13.66%
12 RUBBER AND ARTICLES 2679.2 2726.3 2358.8 -13.48%
13 COFFEE 798.8 814.0 783.4 -3.76%
14 TEA 798.8 681.8 720.0 5.60%
TOTAL 149596.8 160787.1 144975.3 -9.83%
Source: DGCI&S

Note: Corresponding quantity figures for above sectors are not available as aggregation is not possible due to difficulty in aggregating across different product/commodity types, units of measurement etc. The commodity-wise and country-wise data on quantum and value of exports and imports of the country is available in the CDs of DGCI&S publications "Monthly Statistics of Foreign Trade of India", Vol.I (Exports) and Vol.II (Imports). These CDs are also regularly sent to Parliament Library by DGCI&S, Kolkata, for reference.

(b) Few Labour Intensive Sectors like Leather and leather Manufacturers, Engineering Goods, Man-Made Yarn/Fabrics /Made-Ups, Sports Goods, Rubber and Articles etc. have shown decline in exports during 2015-16 in comparison to 2014-15, while sectors like Jute Manufacturing including floor covering, Handicrafts excluding Hand-made Carpets, Toys, etc. have shown increase in exports during this period. The decline in certain sectors can be attributed significantly to shrinkage of demand due to the global economic slowdown, fluctuation in currency markets, instability in Middle East and high domestic price of some commodities.

(c) Government has taken various measures to promote exports, including by the labour intensive sectors through export promotion schemes. Details of the major export promotion schemes are as under:

(i) The Merchandise Exports from India Scheme (MEIS)was introduced in the Foreign Trade Policy (FTP) 2015-20 on April 1,

2015.MEIS aims to incentivize export of merchandise produced/manufactured in India. At the time of introduction of MEIS on April 1, 2015, the scheme covered 4914 tariff lines at 8 digit level. Countries of the globe have been grouped into 3 market categories (Country Group A, Country Group B & Country Group C) for grant of incentives under MEIS. Slight changes in lines covered etc. were made on 14.07.2015 and 15.7.2015. Thereafter on 29.10.2015, 110 new Tariff Lines at 8 digit level were added under the scheme. The rates/country coverage for 2228 lines at 8 digit level were enhanced. As on date, 5012 Tariff Lines at 8 digit level are eligible for rewards under MEIS. The annual resource allocation under MEIS was enhanced from Rs. 18000 crore to Rs. 21000 crore in October 2015.

(ii) The Government has introduced the Interest Equalisation Scheme on Pre & Post Shipment Rupee Export Credit with effect from 1.4.2015. The scheme is available to manufacturers for all exports under 416 specified tariff lines [at ITC (HS) Codes at 4 digit level] and to exports made by manufacturers in Micro, Small and Medium Enterprises across all ITC (HS) Codes. The rate of interest equalisation is 3% per annum.
(iii) Duty Exemption/Remission Schemes viz Advance Authorisation (AA), Duty Free Import Authorisation (DFIA) and Duty Drawback (DBK) Scheme enable duty free import of inputs for export production, including replenishment of input or duty remission. Schemes to promote exports of Gem & Jewellery include Advance Procurement/Replenishment of Precious Metals from Nominated Agencies, Replenishment Authorisation for Gems, Replenishment Authorisation for Consumables and Advance Authorisation for precious metals. Export Promotion Capital Goods (EPCG) Scheme facilitates import of capital goods at zero duty for producing quality goods and services to enhance India's export competitiveness.

(iv) Market Access Initiative (MAI) Scheme is an Export Promotion Scheme envisaged to act as a catalyst to promote India"s exports on a sustained basis. The scheme provides assistance to Export Promotion Organizations/Trade Promotion Organizations/National Level Institutions/ Research Institutions/Universities/Laboratories, Exporters etc., for enhancement of exports through accessing new markets or through increasing the share in the existing markets.

(v) Market Development Assistance (MDA) Scheme is under operation through the Department of Commerce to assist exporters for export promotion activities abroad, assist Export Promotion Councils(EPCs) to undertake export promotion activities for their product(s) and commodities and assist approved organizations/trade bodies in undertaking exclusive non-recurring innovative activities connected with export promotion efforts for their members.

(d) Exports of Yam [ITC (HS) Code 07143000] and Banana[ITC (HS) Code 08039010& 08039090] are incentivized under the MEIS Scheme. The rate of incentives for Yam and Banana are @ 3% and @ 5% of Free on Board value of exports, respectively.

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